

Residential Ratepayers Advisory Board Meeting Minutes

The Residential Ratepayers Advisory Board (Board) met on June 5, 2006, at the OCA offices.

Present for the Board were:

Otis Perry - Vice Chair
Claira Monier
Ken Mailloux
Nathan Cass
Richard Russman
Louis Pare

Present for the OCA were:

F. Anne Ross, Consumer Advocate
Kenneth E. Traum, Assistant Consumer Advocate
Christina Martin, Legal Assistant

Mr. Perry opened the meeting at 2:00 PM.

1. Minutes

Motion was made to approve the Board Minutes of the May 1st meeting. The motion was seconded and approved.

Ms. Ross raised the issue of meeting this summer and whether we should take one month off due to vacations. It was determined that the meeting for the month of July will be cancelled and the next meeting will be held on August 7th.

2. Verizon and PUC Sign Agreement on AFOR

Ms. Ross explained Docket No. DT 06-072 to the Board. Ms. Ross informed the Board of Verizon's intent to sell its wireline property in NH, VT and ME, based on an article printed in the Wall Street Journal on May 10, 2006. Members of the Board discussed the possibility of Verizon selling its wireline facilities in NH and who might be interested in buying them. Ms. Ross then referenced the Press Release issued by the OCA as well as two ongoing dockets at the PUC, DT 04-019 and DM 05-172 regarding Verizon and its service quality issues. Mr. Perry suggested that he believes there is competition in some areas of the state, but it is the most rural and low income communities that do not have a choice in their provider. He suggested that an alternative form of regulation could hurt those customers most. The OCA agreed. Discussion ensued regarding these dockets and the OCA's strategic plan.

3. Legislative Update

Ms. Ross described the role of the OCA in the HB 1146 Study Committee. She

explained that the OCA would focus on monitoring the progress and information provided to assure accuracy and protection for NH ratepayers. Ms. Ross also explained what had happened with the HB 1690 bill. She informed the Board that the most recent talks suggest that two groups are interested in building a wood generating unit in Berlin. The only thing to do now is wait to see if the private sector will step up or if further action will be taken next legislative session. Mr. Traum addressed two other possibilities for Berlin, an integrated utility model or public power authority. The Board then discussed the idea of a municipality owning and operating generation and what that would entail. Ms. Ross referenced the graphs by Synapse which show the average retail electricity prices for New England. Mr. Russman suggested a more proactive approach to home grown power. Mr. Russman motioned and the Board agreed.

Motion: *OCA be proactively in favor of a Renewable Portfolio Standard and a Wood Fired Power Plant in the North Country.*

4. **Electric Assistance Program**

Mr. Traum explained that the Commission has opened Docket No. DE 06-079 at the urging of Governor Lynch, to focus on changes to the program before October of 2006. There are many possibilities addressed in the Commission's Order of Notice that OCA will be looking at, as well as many others. One of the issues brought up in the Commission's Order of Notice was asked of the EAP Advisory Board last month. The EAP Advisory Board was asked if we would support a change in the makeup of the program. The program as it is now is a statewide program, because of the difference in rate levels and relative affluence in customer mixes among utilities. However, some utilities are "donor" utilities while others are "beneficiaries". The question is should it remain that way or should there be a change in the program to reduce the "donor" concept? The Board is opposed to changing the statewide program to something that is not statewide. Mr. Traum went on to discuss some of the suggestions the OCA had in its agenda regarding what possible changes to the program the Board would support. The Board still supports the raising of the System's Benefits Charge from 1.2 mills to 1.5 mills. The Board also supports reducing the discount levels and providing discounts for up to a certain amount of kwh, anything over that consumption level will not be at a discounted rate. Discussion then ensued about possible changes to the program. Mr. Cass explained that his business received energy efficient upgrades from their local electric company. He said that his business would have made those upgrades anyway and that the money should have been used for low income homes etc versus his business. Mr. Perry suggested that every year the Housing Authority comes up with an annual calculation allowance, and maybe that could help us in this process. Ms. Monier suggested that the OCA should talk to D. Pouliot.

5. **Long Term Energy Policy in NH**

Mr. Traum referenced the Energy Forum Press Release that was sent out on May 22,

2006. Mr. Perry asked if the Board wanted to have a spokesperson or leave it up to the individual to voice their position. The Board decided to leave it to the individual.

Ms. Ross summarized the memo from Synapse again referencing the price charts.

Mr. Perry would like to know how these prices compare to the rest of the US. Ms. Ross will get that information.

6. **Other**

Mr. Traum discussed the PSNH rate increase and decreases that were filed. Since PSNH is filing for a rate increase and a rate decrease the parties in the docket are pondering how to incorporate the changes. Should they take 1/3 of the decrease and leave the 2/3 alone to mitigate a rate increase for January 1, 2007? Or should they take the full rate decrease effective when the Commission Orders it and add the full rate increase, even though this means rates will drop and then go back up in January?

The benefit of the first approach “smoothing out” is that it would generate less consumer phone calls to the company and to the PUC and less consumer outrage at an increase in January. The problems with the “smoothing out” approach is that some consumers would not get the benefit of money owed because they move out of the service area; the market volatility; and the fact that the consumers should be educated about what is going on out in the market place. The Board took the position that they want the OCA to advocate for one time credit for the overpaid money.

Next Board Meeting

The next Board meeting will be held on Monday, August 7 at 2 PM at the OCA.

The Meeting was adjourned at 3:59 PM.